licensees under the 1994 Telecom Policy regime and its enforcement currently with NTP-99 will create problems, which will not be beneficial." It was further opined that migration of licensees to NTP-99 is warranted and that such migration should not be retrospective but from a prospective date to be decided by the Government. It should be ensured that defaulting licensees are not totally absolved of the contractual obligations voluntarily undertaken by them under the Licence Agreements and migration should be subject to certain conditions with regard to payment of arrears of licence fees.

The Government decided migration policy after considering the opinion of the Attorney General, and shifted the existing operators from fixed licence fee regime to revenue sharing regime of the New Telecom Policy-1999; however, their all other contractual obligations, *inter-alia*, roll-out of services, provision of Village Public Telephones etc. remain unchanged.

USO Fund Norms

2368. SHRI RAJU PARMAR:
SHRI BHAGATRAM MANHAR:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government are aware of the fact that Universal Service Obligation (USO) Fund Norms have not been finalised by the DoT in tune with the recommendations of the TRAI and NTP 1999;

(b) whether NTP 1999 clearly mentions that USO would be paid for the balance uncovered villages but there is a controversy over USO fund between Government and private sector; and

(c) if so, whether Government are planning to have a relook at USO policy and give incentives in the nature of capital expenditure and operational expenses for providing Village Panchayat Telephones, and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) The Universal Service Obligation (USO) Fund guidelines have been

finalised by DoT in tune with the recommendations of TRAI and NTP-1999.

(b) The guidelines for implementation of Universal Service Support Policy have been issued after considering TRAI recommendations, within the framework of NTP-1999. It has been made clear to the private sector that committed obligations cannot be further diluted.

(c) Does not arise in view of (b) above.

Management of VSNL

2369. SHRI PRASANTA CHATTERJEE: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that VSNL was a sick and mismanaged unit;

(b) if not, the reasons for its disinvestment;

(c) the number of Government nominees that exist in VSNL Board of Directors and whether the Board can take any decision without concurrence of Government nominees; and

(d) if so, the reasons for the existence of Government nominees?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) No, Sir.

(b) In accordance with the Government policy on disinvestment to undertake reduction of Government's stake to 26% or less in case of Public Sector Enterprises falling under the classification of "non-strategic enterprise", Government had approved disinvestment of 25% of its equity stake in VSNL through strategic sale.

(c) As per the agreement, the property, business and affairs of the company shall be managed exclusively by and under the direction of the Board which shall comprise of 12 Directors. Further all decisions, action and resolutions of the Board shall be adopted by the affirmative vote of the simple majority by the Members of the Board except items like change in Memorandum and Articles of Association, granting of any security or the creation of any encumbrance on assets of the company, to wind up or